

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)
) Case No. _____
)
)
Debtor(s)) RULE 2014 VERIFIED STATEMENT
) FOR PROPOSED PROFESSIONAL

Note: To file an amended version of this statement per ¶19, file a fully completed amended Rule 2014 statement on LBF #1114 and clearly identify any changes from the previous filed version.

1. The applicant is not a creditor of the debtor except:
2. The applicant is not an equity security holder of the debtor.
3. The applicant is not a relative of the individual debtor.
4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).
5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.
6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).
7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.
8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.
9. The applicant is not a person in control of the debtor.
10. The applicant is not a relative of a director, officer or person in control of the debtor.
11. The applicant is not the managing agent of the debtor.
12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.
13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:

14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.
15. Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:
16. The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:
17. The applicant is not an affiliate of the debtor.
18. Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):
19. The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court an amended verified statement on LBF #1114, with the caption reflecting that it is an amended Rule 2014 statement and any changes clearly identified.

THE FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED IN STATEMENT 16.

20. List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

21. List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:
22. List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:
23. List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:
24. List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:

I verify that the above statements are true to the extent of my present knowledge and belief.

Applicant

Continuation Statement No. 22:

1. Sunshine (\$489,332.29 Loan) - Obligation stems from a 5/4/11 unsecured loan for \$400,000 and a 1/22/13 unsecured loan for \$89,332.29, which were consolidated for repayment on 9/23/15. A total of 16 monthly installments of \$10,311.41 (a total of \$164,982.56) were paid to the Debtor by Sunshine in the last 18 months. Current balance on this loan after the last payment made on 3/23/18 is \$195,005.39.

2. Sunshine (\$100,000 Loan) - Obligation stems from a 6/1/15 unsecured loan. A total of \$34,813.89 was paid to the Debtor by Sunshine in the last 18 months, the final payment of which paid off the loan in June 2017.

3. Sunshine (Equipment Lease) – Obligation stems from a 5/1/07 lease that was further amended on 5/9/08, 1/1/11, and 1/1/12 and relates to the lease of equipment for Sunshine's operations with a stated cost value of \$9,731,942.00. Lease payments, under the most recent amendment, are \$26,961.17 per month. All pre-petition lease payments have been deferred.

4. Sunshine (Commercial Lease) – Obligation stems from a 5/1/07 lease that relates to the lease of real property and improvements for Sunshine's operations located at 801 NE 21st Ave., Portland, OR; 915 NE 21st Ave., Portland, OR; 925 NE 25th Ave., Portland, OR; and 8440 NE Halsey St., Portland, OR. Base rent payments as of the date of the petition are \$40,373.49 with additional rent payments for taxes, insurance, and utilities. Sunshine paid \$200,000 to Debtor on May 8, 2018 on account of such lease; all outstanding pre-petition lease payments have been deferred.

Continuation Statement No. 23:

1. First Business Capital Corporation: Co-debtor on note and line of credit with Sunshine; collateral pledged is all assets wherever located of the debtor (reciprocal pledge by Sunshine); UCC-1 filed on 10/18/17; current balance of \$9,027,482.
2. Strada Capital Corporation/LCA Bank Corporation: Listed as co-debtor with Sunshine on UCC-1; collateral pledged is all equipment and other personal property, including but not limited to furniture, fixtures and equipment subject to that certain Agreement Number 10-015884 / 196297 dated 10/02/2017 between Secured Party as Lessor/Creditor and Sunshine as Lessee/Debtor, and subject to any and all existing and future schedules entered into pursuant to and incorporating said Agreement, together with all accessories, parts, attachments and appurtenances appertaining or attached to any of the equipment, and all substitutions, trade-ins, renewals and replacements of and improvements and accessions to the Equipment. (1) A+F packer format change from 80mm cups to 95mm Phoenix, 5.3oz Greek cup, pack pattern 3x4 and modify to run carton from International Paper as per sample at production speed of up to 240 cpm. (identical pledge by debtor and Sunshine); UCC-1 filed on 10/30/17; 48 month lease (43 remaining) with monthly payments of \$2,569.67
3. Access Business Finance, LLC: Co-debtor on note with Sunshine; collateral pledged is all present and future assets of the debtor (reciprocal pledge by Sunshine); UCC-1 filed on 10/24/13; Security interest terminated on 2/6/18 (loan paid with proceeds from First Business Capital Corporation loan)

In re Sunshine Dairy Foods Management, LLC
Ch 11 Bankruptcy Case No. 18-31644-pcm11
In re Karamanos Holdings, Inc.;
Ch 11 Bankruptcy Case No. 18-31646-pcm11

CERTIFICATE - TRUE COPY

DATE: June 21, 2018

DOCUMENT: 2nd AMENDED RULE 2014 VERIFIED STATEMENT FOR PROPOSED
PROFESSIONAL (Motschenbacher & Blattner, LLP)

I hereby certify that I prepared the foregoing copy of the foregoing named document and have carefully compared the same with the original thereof and it is a correct copy therefrom and of the whole thereof.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing on:

Sunshine Dairy Foods
Management, LLC
Attn: Norman Davidson, III
801 NE 21st Ave.
Portland, OR 97232

Valley Falls Farm, LLC
c/o Bryan P. Coluccio, V.P. and
General Counsel Keystone-Pacific, LLC
18555 SW Teton Avenue
Tualatin, OR 97062
(Un. Sec. Cred. Comm. Chairperson)

Sorrento Lactalis, Inc.
c/o Phillips Lytle LLP
Attn: Angela Z. Miller
125 Main Street
Buffalo, NY 14203

Karamanos Holdings, Inc.
Attn: Norman Davidson, III
801 NE 21st Ave.
Portland, OR 97232

by mailing a copy of the above-named document to each of them in a sealed envelope, addressed to each of them at his or her last known address. Said envelopes were deposited in the Post Office at Portland, Oregon, on the above date, postage prepaid.

I hereby certify that the foregoing was served on all CM/ECF participants through the Court's Case Management/Electronic Case File system on the date set forth below.

Dated: June 21, 2018

Motschenbacher & Blattner, LLP

By:/s/Nicholas J. Henderson
Nicholas J. Henderson, OSB #074027
Of Attorneys for Debtor-in-Possession